

# FISCAL NOTE

**Bill #:** SB0210

**Title:** Provide benefits to certain veterans

**Primary Sponsor:** Elliott, J

**Status:** As Amended in Senate Committee

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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## Fiscal Summary

	<b><u>FY 2004 Difference</u></b>	<b><u>FY 2005 Difference</u></b>
<b>Expenditures:</b>		
General Fund	\$59,000	\$127,440
<b>Revenue:</b>		
General Fund	\$0	\$0
<b>Net Impact on General Fund Balance:</b>	(\$59,000)	(\$127,440)

- |   |   |
|---|---|
| <input type="checkbox"/> Significant Local Gov. Impact    | <input checked="" type="checkbox"/> Technical Concerns            |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached  | <input type="checkbox"/> Needs to be included in HB 2             |

## Fiscal Analysis

### ASSUMPTIONS:

#### Montana University System (MUS)

1. This bill extends veteran tuition fee waiver eligibility to resident Montana veterans with a record of combat duty in the "War on Terror".
2. Section 2.1 requires the Department of Administration to provide up to four years of paid tuition out of the general fund directly to the unit of the Montana University System for any resident veteran qualifying for assistance under this bill. Section 2.1.b extends this tuition assistance to spouse or child/children of any veteran killed during active service or 100% disabled in a combat zone.
3. Under the current amendments in section 2, the tuition of this bill would be limited to a maximum of 20 veterans in each year.
4. The anticipated costs, assuming the maximum number of veterans would apply each year and a 8 percent increase in costs in FY 2005, are as follows:
  - FY 2004 \$2,950 \* 20 = \$59,000
  - FY 2005 \$3,186 \* 40 = \$127,440

#### Department of Administration (DoA)

5. Costs to the DoA for administering any part of this program will be absorbed within the existing budget.

**Fiscal Note Request SB0210, As Amended in Senate Committee**  
(continued)

FISCAL IMPACT:

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
DoA (6101)		
<u>Expenditures:</u>		
Grants (Tuition Benefits)	\$59,000	\$127,440
<u>Funding of Expenditures:</u>		
General Fund (01)	\$59,000	\$127,440
<u>Revenues:</u>		
General Fund (01)	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	(\$59,000)	(127,440)

TECHNICAL NOTES:

MUS

1. Section 2.2 tuition assistance provided under this bill is in addition to other benefits provided by the state. It is unclear how these benefits would be applied or coordinated.
2. Unlike current Board of Regent (BOR) policy for post-Vietnam era veterans, this bill does not require that a qualified veteran elect to become eligible for educational benefits under Title 38, Chapter 30 or 32, of the United States Code (or a successor federal program granting educational benefits based on active duty in the regular armed forces of the United States).
3. This bill also does not require that a veteran exhaust such federal benefits or no longer eligible for such benefits because of the passage of time before a waiver is granted. Current BOR policy also states that participants in the Veterans Educational Assistance Program (VEAP) or any similar contributory program who withdraw any portion of their contribution before the expiration date for their benefits are not eligible for the waiver. Therefore, this bill may obligate the state to provide funds for education that might be provided by the Federal government to eligible veterans/family members.

LONG TERM IMPACT:

There is a long-term impact in that the bill provides up to four years of paid tuition to an eligible veteran. Assuming an 8 percent annual tuition increase, the cost of the program is estimated at \$503,745 for the 2007 biennium.

$(\$3,441 * 60 \text{ (students)}) + (\$3,716 * 80 \text{ (students)})$